



# भारत का राजपत्र The Gazette of India

असाधारण

EXTRAORDINARY

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PART II—Section 2

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

## RAJYA SABHA

The following Bill was introduced in the Rajya Sabha on the 4th March, 1966:—

### Bill No. 1 of 1966.

*A Bill further to amend the Companies Act, 1956.*

BE it enacted by Parliament in the Seventeenth Year of the Republic of India as follows:—

1. This Act may be called the Companies (Amendment) Act, 1966. Short title.

1 of 1956.

2. In section 224 of the Companies Act, 1956, after sub-section (2), Amendmen  
the following proviso shall be inserted, namely:— of section  
224.

“Provided that the same auditor or auditors shall not be re-appointed for more than two consecutive terms.”

## STATEMENT OF OBJECTS AND REASONS

Under section 224 of the Companies Act, 1956, an auditor is appointed for a specified period of time. There is, however, no limit on the term for re-appointment of the auditor. Consequently, the same auditor may be appointed for any number of terms. If such a practice is followed, favouritism may creep in which may in its turn lead to improper audit. This can be eliminated to a large extent if an auditor is debarred from appointment for a period exceeding three years.

Hence this Bill.

ARJUN ARORA.

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B. N. BANERJEE,  
*Secretary.*